

GAS SALES AGREEMENT
BETWEEN
COMMONWEALTH GAS COMPANY
AS BUYER
AND

AS SELLER

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GAS SALES AGREEMENT

THIS GAS SALES AGREEMENT made and entered into this 25st day of February, 2000, by and between **COMMONWEALTH GAS COMPANY**, a Massachusetts corporation and hereinafter jointly referred to as "Buyer", and _____ a Delaware _____ limited _____, hereinafter referred to as "Seller". Buyer and Seller are refined to individually as a "Party", and collectively as the "Parties".

WITNESSETH THAT:

WHEREAS, Buyer desires to purchase natural Gas from Seller under the terms and conditions of this Agreement; and

WHEREAS, Seller desires to sell natural Gas to Buyer under the terms and conditions of this Agreement; and

WHEREAS, Buyer desires to grant, and Seller desires to acquire, certain gas transmission and storage resources; and

WHEREAS, Seller desires to provide the total requirement for Buyer's customers' default service.

NOW, THEREFORE, in consideration of the mutual covenants and benefits to be derived hereunder, Buyer and Seller agree as follows:

ARTICLE I

DEFINITIONS

Unless expressly stated otherwise, the following terms as used in this Agreement shall mean:

1.1 The term "Btu" shall mean British Thermal Unit(s) which shall mean that amount of heat energy required to raise the temperature of one avoirdupois pound of water from fifty-nine-degrees Fahrenheit (59°F) to sixty-degrees Fahrenheit (60°F) at standard atmospheric pressure, as determined on a dry basis. All prices and charges paid hereunder shall be computed on a "dry" Btu basis.

1.2 The term "Day" shall mean the period of time beginning at 9:00 a.m., Central Time Zone, on a calendar day and ending at 9:00 a.m., Central Time Zone, on the following calendar day.

1.3 The term "Gas" shall mean quality Gas as defined in the FERC Gas Tariffs of Texas Eastern Transmission Company, Tennessee Gas Pipeline Company, Transcontinental Pipeline Company, CNG Transmission Company, Iroquois Gas Transmission Company, Algonquin Gas Transmission Company and any other pipeline or storage facility involved in the transportation, storage or sale of Gas pursuant to this Agreement.

1.4 The term "Gas Commodity Contract Volumes" means Buyer's gas supply contract volumes as identified on Appendix 1.

1.4 The term "MMBtu" shall mean one million (1,000,000) Btus.

1.5 The term "Month" shall mean the period of time beginning on the first calendar Day of each calendar month and ending on the first Day of the following calendar month.

1.6 The term "MonthlyInside FERC Index" shall mean a price of Gas per MMBtu for monthly Baseload Nominated Quantities, calculated for both the Texas Eastern/Algonquin path, Tennessee path, and Canadian ANE path, utilizing production area indexes, as more fully set forth in Section 3.1. the weighted average Gas price as reflected in Inside FERC First of the Month's Pricing Report for

Gas Delivered to Pipelines for the applicable Month for the applicable supply area capacity associated with the transportation contracts listed

in Appendix 1. Both Buyer and Seller understand that these volumes are subject to change each Day during the Term of this Agreement.

7. 1.8 The term "GasThe term " Daily Index" shall mean a price of Gas per MMBtu for Daily Nominated Quantities, calculated for both the Texas Eastern/Algonquin path and the Tennessee path, utilizing production area indices, reflected in Pasha's Gas Daily Pricing Report as more fully set forth in Section 3.1.the applicable Gas price for the pertinent production area as reflected in Pasha's Gas Daily Pricing Report for the 3.1.
8. applicable supply capacity associated with the transportation contracts listed in Appendix 1. Both Buyer and Seller understand that these volumes are subject to change each Day during the Term of this Agreement.
9. The term "Inside FERC" shall mean the publication entitled Inside FERC published by McGraw-Hill, Inc.
10. The term "Gas Daily" shall mean the publication entitled Gas Daily published by Pasha Publications, Inc.
- 11.

1.10. The Term "Variable Charges" shall mean the weighted average transportation fuel, commodity, and applicable surcharges weighted by the specific production zone to citygate paths designated in Appendix I.all pipeline transportation commodity and fuel charges and all pipeline storage injection, withdrawal and fuel charges associated with delivery of Buyer's Gas to the I.

Delivery Points, based upon the pricing hierarchy as reflected in Section 3.1.

1.1011 The term "NYMEX" shall mean the New York Mercantile Exchange for Natural Gas Futures Contracts.

1.121 The term "Initial Storage Balance" shall mean that quantity of Gas that is physically in Buyer's total storage accounts as of March 31, 1999.

1.132 The term "Delivery Points" shall mean those city gate meter stations of Buyer connected to the Tennessee Gas Pipeline Company and Algonquin Transmission Company systems as listed in Appendix 1.

1.143 The term "FERC" shall mean the Federal Energy Regulatory Commission.

1.15 The term "DTE" shall mean the Massachusetts Department of Telecommunications and Energy.

1.16 1.175 The term "Transporters" shall mean any of the following: Texas Eastern Transmission Company, Tennessee Gas Pipeline Company, Transcontinental Gas Pipeline Company, National Fuel Gas Supply Company, Texas Gas Transmission Company, Iroquois Gas Transmission Company, CNG Transmission Company, Algonquin Gas Transmission Company and any other pipeline company transporting Gas pursuant to a FERC tariff and the terms of this Agreement.

17. The term "Baseload Nominated Quantities" (BNQ) shall be as defined in Section 2.3.1.

18. The term "Daily Nominated Quantities" (DNQ) shall be as defined in Section 2.3.2.
19. The term "Released Capacity" shall be as defined in Section 4.1.
20. The term "Authorizations" shall mean any and all approvals, permits, licenses or other authorizations of whatever kind or character required by local, state or federal agencies to enable Buyer to purchase and receive and store Gas, to permit Transporters to receive Gas at the Receipt Points and to transport Gas to Buyer or for Buyer's account to the Delivery Points and thence to Buyer's City Gate
21. The term "MDQ" or "Maximum Daily Quantity" shall mean the quantities set forth in Section 2.2 hereof.
22. The term "Delivery Point" shall be as defined in Section 2.35. or as identified in Appendix .

ARTICLE II

SUPPLY, QUANTITY AND NOMINATIONS

2.1 Nominated Quantity - Subject to the terms and conditions of this Agreement, Buyer will purchase and receive and Seller will sell and deliver on a firm basis on each day of the Term hereof, a quantity of Gas up to the MDQ.

1. Supply Obligation - Seller shall be responsible for supplying all of Buyer's gas supply requirements for default supply service during the Term hereof. Seller's obligation is firm regardless of the nature or amount of Released Capacity available to Seller.
2. Maximum Quantity - Notwithstanding anything to the contrary herein, the maximum quantity of Gas that Buyer is entitled to purchase and receive and that Seller is obligated to sell and deliver on each Day of the Term hereof, per Delivery Point shall be: 84,131 MMBtu on Texas Eastern/Algonquin, 47,387 MMBtu on Tennessee Gas Pipeline, and 10,380 MMBtu's as part of the F2 shallPoint shall be: _____, _____, _____ MMBtu's ("MDQ").Tennessee, Texas Eastern and Texas Gas capacity ("MDQ"). Upon the mutual agreement of the parties, Seller may sell and Buyer may purchase quantities in excess of the MDQ. Seller and Buyer will mutually agree upon the price and terms of such excess sales prior to delivery.
3. Nominated Quantity - With respect to citygate deliveries and subject to the terms and conditions of this Agreement, Buyer will purchase and receive and Seller will sell and deliver on a firm basis on each day of the Term hereof, equal to the sum of the BNQ and the DNQ up to the MDQ.
4. Nomination and Delivery Requirements
 1. Monthly Nomination - On or before fivethree (53)five (5) Days prior to the first Day of the following Month, Buyer will provide Seller with a nomination specifying the monthlydaily quantity of Gas to be purchased and received under this Agreement foreach Day during the following Month ("BaseloadDaily Nominated Quantity").
 2. Daily Adjustments -By or At least two hours before the applicable pipeline nominations deadline for the nextintra-Day or Day, Buyer may notify Seller to adjust its Baseload Nominated Quantityshall adjust its BaseloadDaily

Nominated Quantity ("Daily Nominated Quantities") prospectively for any day during the remainder of that Month to the extent that Buyer has knowledge of changes in load requirement on its system. not previously identified pursuant to Section 2.3.1 of this Agreement.system. Provided however Buyer will use best efforts to provide such nomination to Seller by 9:00 AM prevailing Eastern Time on the day preceding the date of delivery.

3. Intra-Day Adjustments .Seller will make commercially reasonable efforts to— Buyer shall have the right to make Intra-Dayintra-day nomination adjustments by providing notice to Seller prior to any applicable pipeline nomination deadline. Seller shall also use reasonable efforts to accommodate Buyer's request for such adjustments based on notice received following the applicable pipeline nomination deadline. Seller's obligation pursuant to this Section 2.3.3 shall not be excused by Seller's failure to provide a timely nomination to the pipeline.
 4. Manner of Submitting Nominations - Buyer may provide the nominations set forth above in this section either verbally or by fax, but any verbal nomination must be followed by written confirmation.
 5. Delivery Points — Seller will deliver volumes of Gas nominated by Buyer to points designated by Buyer as provided by the applicable contracts or such other points as the parties may mutually agree.
5. Remedies for Failure to Deliver
1. Seller's Failure to Deliver — Except for an event of Force Majeure, if Seller fails to deliver to Buyer the Baseload Nominated Quantity or the Daily Nominated Quantity during any Month, or Seller fails to maintain in storage any amount required pursuant to Section 4.2.2 hereofthen Seller shall reimburse Buyer the amount, if positive, between the price Buyer pays for a substitute supply of Gas and the Commodity Price, multiplied by the quantity of Gas Seller fails to deliver in accordance with this section, plus \$.30 per dth, to cover Buyer's administrative and operational costs, multiplied by the quantity of Gas Seller fails to deliver to Seller.
 2. Liquidating Damages - Should Seller fail to deliver Gas on any Day and Buyer is unable, utilizing reasonable efforts, to obtain a substitute supply for such Day, then in addition to any amounts owed by Seller to Buyer pursuant to Section 2.4.1, Seller shall pay to Buyer \$250 per dth multiplied by the quantity Seller failed to deliver. Such amount represents Buyer's reasonable estimate of the anticipated or actual harm caused by such a failure to deliver, given the difficulties of proof of loss, and the inconvenience or nonfeasibility of otherwise obtaining an adequate remedy,damages difficult to quantify and constitute liquidated damages and not a penalty. The damages provided in Section 2.4.1 and this Section 2.4.22.4.1, Section 2.4.2, and Section 2.4.3 constitute Buyer's sole and exclusive remedies for Seller's failure to deliver gas.
 3. Continuing Default – Except for an event of Force Majeure, iIn the event that Seller fails to deliver to Buyer the Daily Nominated Quantity on two or more Days during the Term hereof, or to maintain in storage on two or more Days during any Month any amount of Gas required pursuant to Section 4.2.2 hereofthen, in addition to the foregoing rights, Buyer shall have the right to terminate this Agreement upon the provision of written notice to the Seller.
 4. Seller.
 5. Other Events of Material Default. In addition to and without prejudice to any other rights of termination provided for under this Agreement and at law, if either party hereto shall fail materially to perform any of the covenants and obligations imposed upon it under this Agreement (except where such failure shall be excused under any of the provisions hereof), the other Party may, at its sole option, terminate this Agreement by causing written notice thereof to be served upon the Party in default, stating specifically the cause for terminating

this Agreement, such termination to be effective two (2) business days after the receipt of the aforementioned notice.

2.5.5 Rights Following Termination. In the event this Agreement is terminated pursuant to the several provisions hereof or otherwise, such termination shall be without prejudice to any rights or obligations of the parties accruing prior to such termination, including but not limited to (a) Buyer's rights under this Agreement to refunds (including interest), (b) Seller's obligation to tender for delivery to Buyer, and Buyer's obligation to take delivery of and pay Seller for, the volumes of Gas contemplated by this Agreement for the period of time prior to the effective date of termination, (c) Seller's obligation to pay the pro-rata full amount of the fixed charge installments specified in Section 3.32 of this Agreement, (d) Seller's right to collect any amounts then due Seller for Gas sold to Buyer hereunder prior to the time of the effective date of such termination, and (e) Buyer's right to collect all sums due pursuant to the terms of this Agreement (including, without limitation, such amounts due pursuant to Section 2.4 hereof) and at law.

ARTICLE III

PRICE

3.1 Commodity Price

1. Quantities Within MDQ - The price for Gas delivered hereunder up to the MDQ will be referred to as the "Commodity Price" and shall be equal to the following pricing formula hierarchy:

Monthly Index:

Tetco Path: The price to be paid to Seller by Buyer for all storage fill gas and gas supply delivered to the citygate for monthly Baseload Nominated Quantities deemed delivered via the Tetco Path will be calculated using the weighted average of the first of the month index price published in Inside FERC's Gas Market Report for each month beginning in April and continuing through March for the

Tetco STX, ETX, WLA, ELA and Kosi.

Tennessee Path: The price to be paid to Seller by Buyer for all storage fill gas and gas supply delivered to the citygate for the monthly Baseload Nominated Quantity deemed delivered via the Tennessee Path will be calculated using the weighted average of the published Inside FERC first of the month contract index prices for Tennessee Zone 1 and Zone 0, weighted by volumes specified in Attachment

Daily Index:

Tetco Path: The price to be paid to Seller by Buyer (if the adjustment is above the Baseload Nominated Quantity) or to Buyer by Seller (if the adjustment is below the Baseload Nominated Quantity) for all gas supply delivered to the citygate for Daily Nominated Quantities deemed attributable to the Tetco Path will be calculated using the weighted average of the published Gas Daily Midpoint index prices for the Tetco STX, ETX, WLA, ELA, and M1 (Miss/Ala) weighted by the volumes specified in Appendix I. citygate swing volumes over and above the nominated first of the month volumes

Tennessee Path: The price to be paid to Seller by Buyer (if the adjustment is above the Baseload Nominated Quantity) or to Buyer by Seller (if the adjustment is below the Baseload Nominated Quantity) for all gas supply delivered to the citygate for Daily Nominated Quantities deemed attributable to the Tennessee Path will be calculated using the weighted average of the published Gas Daily Midpoint index prices for the South Corpus Christi Tennessee 500 leg; and Tennessee

800 leg, weighted by the volumes specified in Appendix I..

3.1.2 Buyer's Right to Fixed Pricing - In lieu of the Monthly Index price(s) provided above, Buyer shall have the right to establish a fixed commodity price per MMBtu for all or any portion of the MDQ during any month or months remaining in the term of this Agreement.

(a) Buyer may, from time to time, request that Seller quote a fixed commodity price for a specified quantity of gas to be delivered at the Delivery Point(s) during month(s) specified by Buyer. Buyer's request for a fixed commodity price may include a request for fixed price(s) for more than one month and for varying quantities for each month.

- a. Promptly following receipt of Buyer's request, Seller shall quote Buyer a per MMBtu price incorporating any basis differential (hereinafter referred to as "Fixed Price"). Any such basis differential will be based on the pro rata allocation of receipt entitlements as set forth in Attachment . If the Fixed Price is agreed to by Buyer, Seller shall immediately forward to Buyer a written confirmation applicable to the quantity for which the mutually agreeable Fixed Price would apply and which also reflects, among other things, all other price(s) and quantity(ies) remaining at the previously agreed prices.

(c) (c) If a Fixed Price(s) is established for less than the MDQ and/or more than one Fixed Price for different quantities has been established for a Month, then the Gas deemed to be first taken during such month shall be the Gas to which the first Fixed Price for such month applied followed by any additional quantities of Gas to which a Fixed Price applies (in the order such price(s) were established) followed by any Gas priced pursuant to the other price provisions of this Agreement. If Buyer elects to convert to fixed price for any of its MDQ, then Buyer will be required to purchase on each Day during the applicable converted period 100% of the volume that Buyer elected to convert to a fixed price.

- a. price, subject to the Buyer shall retain the right to change any first of the Month index related pricing to a fixed price for any portion of the MDQ for any Month(s) during the Term of this Agreement. Such fixed

pricing shall be defined as the applicable NYMEX plus a mutually agreed upon basis differential. Buyer must notify Seller of any change to fixed pricing for any Month on or before three (3) full business Days prior the last Day of trading for the applicable NYMEX future contract months. In addition, if Buyer elects to convert to fixed price for any of its MDQ then Buyer will be required to purchase on each Day during the applicable converted period 100% of the volume that Buyer elected to convert to a fixed price. terms of this Agreement.

3.2 Guaranteed Payment - Seller agrees to pay Buyer an amount of \$_____ payable within 10 days following commencement of the Term of this Agreement.

3.23 Transportation and Storage Costs Reimbursement Non-Commodity Charges --In3.3 Non-Commodity Charges --In addition to the Commodity Price provided above, Buyer shall pay Seller an amount equivalent toBuyer shall reimburse Seller for one-hundred percent (100%) of the transportation and storage reservation charges, including surcharges, associated with capacities assigned from Buyer to Seller during the Term of this Agreement. Provided, however, the parties agree that the foregoing transportation and storage reservation charges shall represent the transportation and storage reservation charges that would have been paid by Buyer had Buyer retained such capacity. In addition, Buyer shall reimbursepay Seller an amount equivalent tofor 100% of the transportation and storage Variable Charges, including surcharges,as sociated with the delivery of Gas by Seller to Buyer's Delivery Points up to the MDQ and calculated by Seller in accordance with Section 3.1that Buyer may have otherwise paid .in accordance with paragraph 1.11. for Gas sold to Buyer pursuant to this Agreement.

3.4 Suspension of Indexes - If, during the Term of this Agreement, a specified index as defined in Article I ceases to be published or is not published for a given month, then Buyer and Seller shall mutually agree upon a replacement index for the applicable period(s) that the specified index was not published.

3.5 Initial Storage Balance - In no event shall Buyer be obligated to pay, or shall Seller be entitled to receive, any payment with respect to the replacement by Seller of the Gas comprising the Initial Storage Balance. The Parties shall cooperate to resolve any disputes over any of the charges described in this Article III.

ARTICLE IV

TRANSPORTATION AND STORAGE ASSIGNMENTS

1. Assignment of / Agency for Transportation and Storage Contracts - Buyer shall release to Seller, for the Term hereof, and subject to the conditions and provisions of this Agreement, the firm transportation capacity rights held pursuant to certain firm transportation contracts. The details regarding such contracts and capacity rights are set forth on Appendix I. Buyer shall release, and subject to the conditions and provisions of this Agreement, for the Term releasehereof, firm storage rights held pursuant to certain firm storage agreements. The details regarding such agreements and capacity rights are set forth on Appendix I. Buyer shall be responsible for posting notice of the pre-arranged releases of capacity on the respective pipeline's electronic bulletin boards to the extent required by law or applicable tariff.
2. Agreements Not Subject to Release - To the extent Buyer holds firm transportation or storage rights that are not subject to the capacity release regulations, and subject to the conditions and provisions of this Agreement, Buyer shall assign or otherwise provide agency rights to all such transportation and storage contracts and related quantities as listed in Appendix I1 (all such capacity whether released, assigned, or delegated via agency may be referred to as "Released Capacity").
3. Buyer's Rights to Released Capacity - Seller's rights to the Released Capacity are limited by Buyer's right to recall such Capacity in the event of a default by Seller as described in this Agreement, and further Seller shall be required to release its rights to such Capacity in accordance with the Buyer's system unbundling policy as approved by the DTE.
4. Assumption of Risk By Seller - Seller assumes the full risk of fluctuations in the amount of Released Capacity over the Term of this Agreement, and Seller shall not be entitled to any payment or other consideration in the event of such recall by the Buyer for itself or on behalf of its customers. Seller also assumes the full risk and responsibility for any changes in rates or terms and conditions with respect to the agreements comprising the Released Capacity. All activities by or on behalf of Seller relating to such contracts shall be at Seller's risk and expense, including without limitation any charges, penalties or other costs incurredby either Buyer or Seller as a result of such utilization by Seller, which shall in each case be the sole responsibility ofSeller, and Seller shall either pay or credit Buyer for any such amounts incurred by Buyer, except solely with respect to those charges as to which Buyer shall reimburse Seller pursuant to Section 3.3. hereof.Seller, unless such charges, penalties, or other costs were incurred as a result of actions or omissions attributable to Buyer's fault.
5. Prior Transactions/ Credits and Refunds - Buyer shall retain all rights and obligations with respect to such contracts and any transactions consummated thereunder, which pertain to any period other than the Term of this Agreement. Further, Buyer retains all rights to refunds and similar credits relating to such contracts and the payments made by Buyer at any time.
6. Limitations on Seller's Authority - Seller is not authorized to seek or agree to amendments or modifications of any kind to the contracts comprising the Released Capacity. Seller shall at all times separately administer and account for its actions under the aforementioned contracts, regardless of whether it aggregates the rights of Buyer under the contracts with those of other shippers having similar agreements of the type described herein. Seller shall at all times act within the scope of the powers expressly given it under this Agreement, and shall at no time, by its actions or otherwise, represent that its authority as agent for Buyer is different from or in excess of the authority provided in this Agreement.
7. Indemnification by Seller - Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities, or claims including attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title or control passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury, or

property damage from said Gas or other charges thereon which attach after title or control passes to Buyer.

8. Responsibility for Transportation and Storage Contracts

1. Responsibility for Payment, Nomination and Administration - Subject to Buyer's obligation to pay Seller in accordance with Section 3.3, Seller shall assume all obligations and rights under such contracts, including without limitation, the obligation to submit nominations and to pay all invoices. Seller shall also be responsible for verifying the accuracy of all charges incurred under the aforementioned contracts, and for correcting any errors with the pipeline or storage company.
2. Transfer of Gas in Storage -- At the beginning of - At the beginning of and throughout the term of this Agreement, Buyer agrees to transfer to Seller all right, title, and interest in its inventory of Gas in the released storage capacity specified in Appendix I. Seller shall assume title to all Gas in the released storage inventory at the commencement of the Term hereof but shall not be required to pay for such Gas. On or about _____, Buyer shall provide Seller with a confirmation, as provided by the pipelines, of the inventory of Gas in the released storage account(s) specified in Appendix I. Seller shall provide a written confirmation to Buyer of the inventory so transferred. On _____, Seller will transfer to Buyer all right, title, and interest to the inventory of Gas in the released storage accounts as specified in Appendix I. That equivalent amount of gas in storage which was initially transferred to Seller at no cost shall be transferred back to Buyer at no cost. All Gas in Buyer's storage as of April 1, 1999 shall be under the control and discretion of Seller effective with the Term of this Agreement. Seller shall be responsible for maintaining all applicable storage inventory ratchets during the Term of this Agreement. Seller further agrees that, upon the expiration of this Agreement, that the aggregate balance of such storage accounts shall be ninety-five percent (95%) of total storage capacity. In no event shall Buyer be required to pay for any Gas volumes delivered in excess of the difference between (a) the amount equal to 95% of total storage capacity, and (b) the amount agreed upon as the transferred at the beginning of
3. Operational Balancing Agreements - The parties acknowledge and agree that Buyer has in place certain Operational Balancing Agreements (OBA) with Algonquin Gas Transmission Company (Algonquin) and Tennessee Gas Pipeline Company (Tennessee). Buyer shall retain all responsibilities for confirming all of Seller's daily deliveries to Buyer's city gates covered under Buyer's OBAs for both Tennessee and Algonquin. As such, and to the extent that the OBA is applicable, any imbalances caused by Seller not delivering Buyer's Daily Nominated Quantities or the Baseload Nominated Quantities shall be the responsibility of Seller through the provision of Gas or payments on account of cash-out balances provided in the OBA. Any imbalances caused by Buyer physically taking greater or less than Buyer's Daily Nominated Quantities or the Baseload Nominated Quantities shall be the responsibility of Seller through the provision of Gas or payments on account of cash-out balances provided in the OBA. To the extent such imbalances are not covered by the terms of an OBA, Seller shall remain fully liable for all costs and charges associated with the same in accordance with the terms of the applicable transporter's tariff.
4. Projected Requirements - Buyer shall provide Seller information concerning Buyer's expected Gas requirements on its distribution system on a daily, weekly and monthly basis. Buyer will also provide Seller information concerning any known or expected events that will cause material changes in Buyer's daily Gas requirements as soon as the information becomes known to Buyer. Buyer agrees to work with Seller on a daily basis to ensure that nominations (including any necessary adjustments thereto) are made timely on all applicable pipelines and

such nominations reflect, as much as reasonably possible, Buyer's expected requirements.

9. Responsibility for Supply Contracts

1. Responsibility for Payment, Nomination and Administration - Subject to Buyer's obligation to pay Seller in accordance with Section 3.3, Seller shall assume all obligations and rights under such contracts, including without limitation, the obligation to submit nominations and to pay all invoices. Seller shall also be responsible for verifying the accuracy of all charges incurred under the aforementioned contracts, and for correcting any errors with the pipeline, supply or storage company.

ARTICLE V

TERM OF AGREEMENT

5.1 Term - This Agreement shall become effective on April 1, 2000 and shall remain in full force and effect through _____.

5.2 Obligations following Expiration of the Term - Upon the termination or expiration of this Agreement, in addition to such rights and obligations enumerated elsewhere in this Agreement, Buyer shall recall, and Seller shall unwind the release or assignment of, all transportation and storage capacity which Buyer has released or assigned to Seller pursuant to this Agreement. Further, Seller shall transfer all right, title and interest in the gas in storage as described section 4.3.2 hereof. The parties shall each also forward notifications to the appropriate parties in order to terminate any and all releases, assignments and agency arrangements regarding such capacity.

ARTICLE VI

TITLE AND WARRANTY

6.1 Transfer of Title, Possession and Control - Title to the Gas sold hereunder shall pass from Seller to Buyer upon delivery of said Gas to the Delivery Points as reflected in Appendix 1. As between the Parties hereto, Seller shall be deemed to be in control and possession of all Gas delivered hereunder and shall indemnify and hold Buyer harmless from any damage, injury or losses which occur prior to the delivery to Buyer at the Delivery Points; otherwise, Buyer shall be deemed to be in exclusive control and possession thereafter and shall indemnify and hold Seller harmless from any other injury, damage or losses.

2. Warranty of Title/ No Liens - Except as set forth below, Seller warrants title to all Gas delivered hereunder by Seller or that Seller has the right to sell the same, and that such Gas is free from liens and adverse claims of every kind. Seller will indemnify and save Buyer harmless against all loss, damage and expense of every character on account of adverse claims to the Gas delivered by it before delivery to Buyer. While such Gas remains in Buyer's possession and control, Buyer warrants title to all of the Initial Storage Balance and that such Gas is free from liens and adverse claims of every kind. Buyer will indemnify and save Seller harmless against all loss, damage and expense of every character on account of adverse claims to such Gas prior to transfer to Seller. Seller shall not incur or permit any claim, lien or encumbrance to be affect the transportation or storage capacity transferred pursuant to this Agreement, and shall indemnify and save harmless Seller with respect to the same.
3. Supply Warranty - Seller warrants and represents that Seller will have and that it will maintain throughout the term of this Contract the capability to deliver to the Delivery Points for the account of Buyer on each Day one-hundred percent (100%) of the MDQ that can be nominated by Buyer under the terms of this Agreement. Upon Buyer's request, Seller agrees to provide Buyer with information in support of this warranty regarding the contracts and other arrangements used by Seller in connection with the transportation or storage of gas delivered or to be delivered hereunder. Further, Seller represents and warrants that it will supply Buyer in a manner that will minimize the potential for a Force Majeure occurrence.

ARTICLE VII

QUALITY AND PRESSURE

7.1 Pressure Requirements - All Gas delivered at the Delivery Points shall be at the pressure existing in Tennessee and Algonquin's facilities. Neither Seller nor Buyer shall be obligated to install or operate compression facilities.

ARTICLE VIII

MEASUREMENT AND TESTS

8.1 Measurement Point - All Gas sold hereunder shall be measured at or near the Delivery Points on Tennessee and Algonquin systems at pressures in existence at the time of delivery and shall be measured to the unit of one MMBtu.

2. Standards for Measurement and Tests - Unless specified herein to the contrary, the standards for measurement and tests shall be governed by those standards set forth in the Tennessee and Algonquin tariffs on file at FERC.

ARTICLE IX

BILLING AND PAYMENT

9.1 Billing and Payment [NEEDS FURTHER REVIEW AND DEFINITION]- Seller shall render to Buyer, at the address indicated in Section 13.2 hereof each calendar month an invoice(s) related to the said reservation charges pursuant to Section 3.3 such that the Buyer has a minimum of ten (10) days to pay such invoice to Seller and also such that the due date is no more than two (2) days prior to the date when the charges are due to the applicable pipeline and storage companies. In addition, Seller shall render to Buyer, on or before the fifteenth (15th) day of each calendar month, a detailed invoice for all Gas, delivered during the preceding Month, in accordance with the terms provided herein. Buyer may elect, upon written notice to Seller, to receive an invoice reflecting Buyer's net payment obligation to Seller. Invoices may be based initially upon estimates, but will be corrected to actual as soon as possible. Buyer agrees to make payment hereunder to Seller for its account in available funds by wire transfer or by mail at such location as Seller may from time to time designate in writing. Payment shall be received by Seller within ten (10) days of the date of receipt of Seller's invoice. If the invoiced amount is not paid when due, then interest on any unpaid and undisputed amount shall accrue at the then current prime rate of interest (Chase Manhattan, NA.), not to exceed any applicable maximum lawful rate together with any court costs, attorneys' fees and all other costs of collection which Seller may incur in enforcing the terms of this Agreement. Notwithstanding the above, if a good faith dispute arises between the Parties over the amounts due under the invoice for any matters, then Buyer will pay that portion of the invoice(s) not in dispute on or before the due date and both Parties will continue to perform their obligations under this Agreement during such dispute. Seller agrees to provide all documentation to Buyer prepared by or on behalf of Buyer, or from any pipeline or storage entity relating to any charges associated with this Agreement. The Parties shall cooperate to resolve any disputes over any of the charges described in this Article IX.

2. 9.2 Review of Books and Records - For a period of two years after the date of final billing for the last month in the Term of this Agreement, Buyer and Seller shall have the right to inspect and examine, at reasonable hours, the books, records and charts of the other pertaining to any term or condition of this Agreement to the extent necessary to verify the accuracy of any invoice, charge or computation made pursuant to this Agreement.
3. Taxes – Seller shall be responsible for the payment of all taxes associated with the Gas and pertaining to the same as delivered up to and at the Delivery Point. Upon Seller's request, Buyer shall provide any tax exemption certificates pertaining to Buyer.
4. Taxes. The prices set forth herein are exclusive of taxes. Any taxes imposed on the commodity or related services hereunder shall be the responsibility of Buyer.

ARTICLE X

REGULATION AND REGULATORY APPROVALS

1. Authorizations - Buyer shall proceed with due diligence to obtain, or where appropriate, assist others in obtaining all Authorizations, transportation or gathering or processing contracts, and all other commercial arrangements necessary to purchase, have transported and to receive and distribute Gas in accordance with the terms of this Agreement. The receipt of such Authorizations in a form acceptable to Buyer (in Buyer's sole reasonable discretion) shall be a condition precedent to Buyer's obligation to receive and purchase Gas hereunder.
2. Failure to Receive Authorizations/ Termination - If, by _____, any of the required Authorizations have not been received in a form acceptable to Buyer, Buyer shall have the right, but not the obligation, to terminate this Agreement upon thirty (30) days' written notice to the other, and unless such conditions are satisfied prior to the expiration of thirty (30) day period, this Agreement shall thereafter be void and of no further force or effect.
3. Waiver - Buyer shall have the right to waive receipt of any Authorization.
4. No Charges - It is agreed that Buyer shall not incur any charges under this Agreement unless and until all the Authorizations have been received or such receipt has been waived, and further Seller is able to and has offered to deliver Gas to Buyer, pursuant to the terms of this Agreement.

10.5 Laws and Regulations - This Agreement shall be subject to all valid applicable governmental laws and orders, including but not limited to the FERC and DTE, regulatory authorizations, directives, rules and regulations of any governmental body or official having jurisdiction over the Parties, their facilities, the Gas or this Agreement or any provision thereof; but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, order, rule or regulation in any forum having jurisdiction

10.6 Applicable Law - This Agreement shall be governed by the laws of the Commonwealth of Massachusetts, excluding any conflict of laws and principles of said jurisdiction that might require the application of the laws of another jurisdiction.

10.7 Changes in Law or Regulation - If any federal or state statute or regulation or order by a court of law or regulatory authority directly or indirectly (a) prohibits performance under this Agreement, (b) makes such performance illegal or impossible, or (c) effects a change in a substantive provision of this Agreement which has a significant material adverse impact upon the ability of either Party to perform its obligations under this Agreement, then the Parties will use all reasonable efforts to revise the Agreement so that (a) performance under the Agreement is no longer prohibited, illegal, impossible or is no longer impacted in a material adverse fashion, and (b) the Agreement is revised in a manner that preserves, to the maximum extent possible, the respective positions of the Parties. Each Party will provide reasonable and prompt notice to the other Party as to any proposed law, regulations or any regulatory proceedings or actions that could affect the rights and obligations of the Parties. To the extent that Buyer is unable to recover the full purchase price of Gas established under this Agreement, or the performance of a Party whose is rendered prohibited, illegal, or impossible, then, in the first instance

the Buyer, and in the other aforementioned instances the Party so effected, shall have the right, at its sole discretion, to terminate this Agreement upon the provision of written notice to the other Party.

ARTICLE XI

FORCE MAJEURE

11.1 Suspension of Receipt and Delivery Obligations - If Buyer or Seller is rendered unable, wholly or in part, by force majeure to perform obligations under this Agreement, other than the obligation to make payments due under this Agreement, it is agreed that the performance of the respective obligations of Seller and Buyer to deliver or purchase and receive Gas, so far as they are affected by force majeure, shall be excused and suspended from the inception of any such inability until it is corrected, but for no longer period. Buyer or Seller, whichever is claiming such inability, shall give notice thereof to the other as soon as practicable after the occurrence of the force majeure. Such notice may be given orally or in writing but, if given orally, it shall be promptly confirmed in writing, giving reasonably full particulars. Such inability shall be promptly corrected to the extent it may be corrected through the exercise of reasonable diligence by the Party claiming inability by reason of force majeure.

2. 11.2 Liability During Force Majeure - Neither Buyer nor Seller shall be liable to the other for any losses or damages, regardless of the nature thereof and however occurring, whether such losses or damages be direct or indirect, immediate or remote, by reason of, caused by, arising out of or in any way attributable to suspension of the performance of any obligation of either Party to the extent that such suspension occurs because a Party is rendered unable, wholly or in part, by force majeure to perform its obligations.

11.3 Force Majeure - The term force majeure means an event: (i) that was not within the control of the party claiming its occurrence; (ii) that could not have been prevented or avoided by such party through the exercise of due diligence; and (iii) that prohibits or prevents such party from performing its obligations under this Agreement. Events that may give rise to a claim of force majeure include:

11.3.1 Acts of God, including earthquakes, epidemics, fires, floods, landslides, lightning, storms, washouts, weather related events such as hurricanes or freezing or failure of wells or lines of pipe used to supply the Gas described in this Agreement which prevents delivery to the delivery points, and other similar, unusual and severe natural calamities;

11.3.2 Acts of the public enemy, wars, blockage, insurrections, riots, civil disturbances and arrests;

11.3.3 Strikes, lockouts or other industrial disturbances;

11.3.4 Explosions, breakage, accidents to equipment, facilities or lines of pipe used to supply the Gas under this Agreement or explosions, breakage, accidents to equipment, facilities or lines of pipe used to enable Buyer to receive Gas under this Agreement, including without limitation to equipment, facilities or lines of pipe related to Buyer's liquefied natural gas facilities.

11.3.5 The temporary inability of Transporters to receive, transport or deliver the Gas described in this Agreement; or

6. Any other cause of a similar type, provided that such cause satisfies each of the three conditions referenced in Section 11.3 hereof (i.e. "(i)-(iii)").

11.4 11.4 Termination - If a force majeure event continues for a period of three (3) consecutive days, then the Party which did not claim such force majeure may at any time thereafter terminate this Agreement upon forty-eightthirty (48) hours' prior written notice to the extent the force majeure event has not been corrected prior to the expiration of such notice period. This termination right shall be in addition to, and not in lieu of, any other rights of the parties set forth in this Agreement.

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ARTICLE XII

PERFORMANCE ASSURANCE AND CREDITWORTHINESS

1. Adequate Assurance - In the event either Party (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a bankruptcy proceeding against it; (iii) otherwise becomes bankrupt or insolvent (however evidenced) or (iv) is unable to pay its material debts as they become due, then the other Party shall have the right to (1) withhold or suspend deliveries provided however, Buyer may recall all Released Capacity with two (2) days' prior notice, in addition to any and all remedies available hereunder or pursuant to law and/or (2) demand Adequate Assurance of payment. "Adequate Assurance" shall be evidenced by a standby letter of credit, or other good and sufficient security in a satisfactory amount, of a form satisfactory to the requesting Party and of a continuing nature that demonstrates the Party is able to perform its obligations hereunder for the term of the Agreement.

12.2 Ongoing Surety for Each Party's Performance Obligations -At any time during the term hereof, either Party may request and receive reasonable assurance of the financial capability of the other Party to

meet its obligations under this Agreement. If there is a material adverse change in the financial condition of a Party, as evidenced by the assignment of a below investment grade rating to the long-term debt securities, as reported by Standard & Poor's or in the event that the party's senior long-term debt securities are not rated and a good faith review of the Party's financial reports made in accordance with accepted industry rating standards indicates that a Party could not obtain a rating for senior long-term debt securities which would be at or above investment grade, then the party receiving such report or rating can require that the other Party provide an irrevocable letter of credit for two (2) months of financial obligations under the Agreement. Should any Party required to provide a letter of credit fail to do so within five (5) business days of such demand, then the other Party shall have the right to withhold or suspend performance under this Agreement.

13.10.12.3 Guaranty --Within thirty days of Upon- Upon the execution of this Agreement, Seller shall provide Buyer a guaranty in a form and amount acceptable to the Buyer byfrom Seller's parent company. Such guaranty shall remain in force and effect throughout the Term of this Agreement.

12.4 Irrevocable Letter of Credit – Upon the execution of this Agreement, Seller shall provide an irrevocable letter of credit for the benefit of Buyer, which shall be in a form acceptable to Buyer and issued by a financial institution acceptable to Buyer. The principal amount of the letter of credit shall be \$25 million. Such letter of credit shall remain in force and effect throughout the Term of this Agreement.

ARTICLE XIII

STANDARDS OF CONDUCT

13.1 Standards of Conduct – Seller agrees that the Standards of Conduct set forth in Appendix II shall govern the relations between Seller and its identified retail marketing affiliate (s) during the Term of this Agreement.

ARTICLE XIV

MISCELLANEOUS

1. Confidentiality - Except as otherwise provided herein, Seller and Buyer agree to maintain the confidentiality of this Agreement and each of the terms and conditions hereof, and Seller and Buyer agree not to divulge same to any third party except to the extent, and

only to the extent, required by law, court order or the order or regulation or regulation of an administrative agency having jurisdiction over Buyer and Seller, or the subject matter of this Agreement. If required to be disclosed, then the Party subject to the disclosure requirement shall (a) notify the other Party immediately and (b) cooperate to the fullest extent in seeking whatever confidential status may be available to protect any material so disclosed.

2. Notices - Except as otherwise expressly provided in this Agreement, every notice, request, statements and invoices provided in this Agreement shall be in writing and directed to the Party to whom given, made or delivered at such Party's address as follows:

Buyer: Commonwealth Gas Company

157 Cordaville Road

Southboro, MA 01772

Attention: Mr. Nem Jain, Director of Gas Supply Planning

Telephone: 508-481-7900

Fax: 508-481-0934

For Payments:

Commonwealth Gas Company

Bank:

Account #

ABA #

Seller: For Payments:

Either Buyer or Seller may change one or more of its addresses for receiving invoices, statements, notices and payments by notifying the other in writing.

3. Headings - The Table of Contents and the headings of any article, section or subsection of this Agreement are for purposes of convenience only and shall not be interpreted as having meaning or effect.
4. Waiver of Default - No waiver by either Party of one or more defaults or breaches by the other in performance of any of the terms or provisions of this Agreement shall operate or be construed as a waiver of any future default or breach, whether of a like or of a different character.

5. Entire Agreement - The terms and conditions contained herein constitute the full and complete agreement between the Parties and any change to be made must be submitted in writing and agreed to by both Parties
6. Enforceability - Each Party represents that it has all necessary power and authority to enter into and perform its obligations under this Agreement and that this Agreement constitutes a legal, valid and binding obligation of that Party enforceable against it in accordance with its terms, except as such enforceability may be affected by any bankruptcy law or the application of principles of equity.
7. No Assignment - Seller shall not assign this Agreement except upon receiving the advance written consent of the Buyer.
8. Limitations - Neither Party shall be liable to the other Party for consequential, incidental, or punitive damages resulting from, or arising out of, this Agreement.
9. Exclusivity - Buyer agrees that it will purchase all of its citygate and storage fill requirements, and other market needs, from Seller during the term of this Agreement with the exception of the Distrigas contract. Buyer further agrees that it will make no off-system sales during the term hereof without the consent of Seller. All of Buyer's transportation and storage capacity available for release or assignment during the term hereof shall be released or assigned to Seller pursuant to the terms hereof with the exception of the Distrigas contract.
10. No Third Party Beneficiaries - There is no third party beneficiary to this Agreement, and the provisions of this Agreement shall not impart rights enforceable by any person, firm or organization not a Party or not a successor or assignee of a Party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first written.

COMMONWEALTH GAS COMPANY

By: _____ By: _____

Name: Name:

Title: Title:

APPENDIX II

Standards of Conduct Between [Portfolio Manager] and [Retail Marketing Affiliate] To Accompany Portfolio Management Arrangement ("Portfolio-Management Agreement") Between [Portfolio Manager] and [LDC Gas Company].

- These Standards of Conduct are intended to govern the relations between [Portfolio Manager] and [Retail Marketing Affiliate] relating to the marketing of natural gas in the service territory of

[LDC Gas Company]. These Standards of Conduct do not apply to the marketing of any other energy services or electricity.

- [Portfolio Manager] will not provide gas sales leads relating to customers in [LDC Gas Company's] service territory to [Retail Marketing Affiliate] that arise from its activities under the Portfolio-Management Agreement and will refrain from giving the appearance that [Portfolio Manager] speaks on behalf of [Retail Marketing Affiliate]. If a customer of [LDC Gas Company] contacts [Portfolio Manager] and requests information about securing its own gas supplies from an entity other than [LDC Gas Company], [Portfolio Manager] will refer the customer to [LDC Gas Company] so that [LDC Gas Company] may provide a list and contact information for all retail gas marketers operating on the [LDC Gas Company's] system.
 - [Portfolio Manager] will not represent to any customer of [LDC Gas Company], or to a supplier providing gas supplies to customers in the service territory of [LDC Gas Company], that an advantage may accrue to such customer or supplier as a result of that customer or supplier obtaining gas supplies from [Retail Marketing Affiliate].
 - [Portfolio Manager] and [Retail Marketing Affiliate] will not engage in joint advertising or marketing programs for selling gas directly to [LDC Gas Company's] customers other than as part of a joint promotional, advertising or marketing program among a group of other similarly situated marketers. This restriction does not apply to general advertising of a regional or national nature which may be supported by both [Portfolio Manager] and [Retail Marketing Affiliate].
 - For matters pertaining to the marketing of gas in [LDC Gas Company's] service territory , (1) [Portfolio Manager] will operate at arm's length from [Retail Marketing Affiliate] and (2) [Portfolio Manager] and [Retail Marketing Affiliate] will have separate operating employees who shall act independently of each other. Personnel transferred from [Portfolio Manager] to [Retail Marketing Affiliate] will be precluded from advising or working directly on any transaction associated with service to [LDC Gas Company] or its customers during the term of the Portfolio-Management Agreement or for a period of one year, whichever is shorter.
 - [Portfolio Manager] will not provide [Retail Marketing Affiliate], or any other marketer, including [LDC Gas Company's] marketing affiliate, with any proprietary customer or market information concerning [LDC Gas Company's] customers that it may possess as a result of managing [LDC Gas Company's] upstream capacity assets under the Portfolio-Management Agreement. To the extent that [Portfolio Manager] provides to [Retail Marketing Affiliate], or another marketer, information learned by [Portfolio Manager] as a direct result of its activities under the Portfolio-Management Agreement, it shall make available that information contemporaneously to all marketers, affiliated and non-affiliated. To the extent possible, [Portfolio Manager] will provide this information to [LDC Gas Company] to be posted on [LDC Gas Company's] electronic bulletin board.
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- If the Department of Telecommunications and Energy (DTE) determines that a material violation of the foregoing standards has occurred, [Portfolio Manager] and/or [Retail Marketing Affiliate] shall be given the opportunity immediately to cease and desist from engaging in such violations. If [Portfolio Manager] and/or [Retail Marketing Affiliate] does not cease and desist from such violations of the foregoing standards, the DTE shall impose a remedy or remedies that are appropriate to redress the effect caused by the violation or violations. It is recognized that the DTE shall not be precluded from finding that the Portfolio Management Agreement should be terminated or that [Retail Marketing Affiliate] should be prevented from marketing in [LDC Gas Company's] service territory.
 - By executing this agreement, neither [Portfolio Manager] nor [Retail Marketing Affiliate] agree to submit themselves to the jurisdiction of the Department and neither [Portfolio Manager] nor [Retail Marketing Affiliate] agree in any manner that the DTE has jurisdiction over the activities

of [Portfolio Manager] under the Portfolio-Management Agreement or over [Retail Marketing Affiliate].